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ABSTRACT

This report uses a recent survey--the 1997 National Survey of America's Families, or NSAF--to look at the child care expenses of working families with children under age 13. The report begins by describing child care expenses of America's families at the national level and then turns to analysis of 12 focal states. For both the national-level and state-level analyses, three aspects of expenses are examined: the percentage of working families paying for child care, the average expenses among those that do pay for care, and the average percentage of earnings paid for child care. These three aspects of child care expenses are examined for all families overall and for three particular groups of families: those with younger versus older children, single-parent versus two-parent families, and families with different earnings levels. Among the findings at the national level are the following: about half of all working families with children under age 13 paid for child care in 1997; the average monthly expense among those paying for care was $286, about 9 percent of their earnings; these figures vary significantly by family characteristics. Among the findings at the state level are the following: in each of the NSAF states, about half or slightly more than half of all working families with children under 13 paid for child care; for those families that paid for child care, there are large differences in the average expense in dollar terms: from $209 in Mississippi to $370 in Massachusetts, compared with the national average of $286; when

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expenses are examined as a percentage of earnings in order to adjust for differences in earnings levels across the states, there is much less cross-state variation, with most states not significantly different from the national average of 9 percent of earnings. Overall state-level findings mask some significant variations when different groups of families are examined separately. National and state findings indicate that child care expenses are a particular concern for families with younger children, single-parent families, and families with low earnings. The report's appendix presents data for additional groups of families not discussed in the text. (HTH)

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Assessing the New Federalism

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Child Care Expenses of America's Families

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Occasional Paper Number 40

An Urban Institute Program to Assess Changing Social Policies

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This report is part of the Urban Institute's *Assessing the New Federalism* project, a multiyear effort to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

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About the Series

Assessing the New Federalism is a multiyear Urban Institute project designed to analyze the devolution of responsibility for social programs from the federal government to the states, focusing primarily on health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. In collaboration with Child Trends, the project studies changes in family well-being. The project aims to provide timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey, studies of policies in 13 states, and a database with information on all states and the District of Columbia, available at the Urban Institute's Web site. This paper is one in a series of occasional papers analyzing information from these and other sources.

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Child Care Expenses of America's Families

Introduction

In working families with children, child care expenses can consume a large portion of the family budget. Not all families pay for care—either because they do not use child care or because they receive it at no charge. But in families that do pay for care—especially low-income families—the expenses can be significant. Child care expenses may erode the financial benefits of employment, affecting whether a family can "get by" on relatively low earnings without public assistance.

The affordability of child care has become an issue for greater numbers of low-income families as millions have left the welfare rolls for employment since the mid-1990s. Child care subsidies are not an entitlement, and not all low-income families receive help. For instance, the primary source of federal funding for subsidized child care—the Child Care and Development Fund—serves only 10 percent to 15 percent of the children who are eligible for those subsidies (U.S. Department of Health and Human Services 1999). Most families that have left the welfare system and are working are not receiving child care subsidies (Schumacher and Greenberg 1999).

High child care expenses may influence the lives of families and children at all income levels, in both financial and nonfinancial ways. A parent who would otherwise choose to have a job may choose not to work or to work fewer hours because of the costs of child care. Parents in a two-parent family may choose to work different shifts to avoid expenses, affecting the amount of time a family is able to spend together. Some of the parents who use paid care may place their children in care they consider unsatisfactory because other arrangements are unaffordable, with potential effects on a variety of child outcomes. Lower-quality child care—as measured by child-staff ratios, group size, and teacher training and education—has been found to be related to a higher incidence of problem behaviors, lower cognition, and lower

school readiness (NICHD [National Institute of Child Health and Human Development] Early Childcare Research Network 1999).

This paper uses a recent survey—the 1997 National Survey of America's Families, or NSAF—to look at the child care expenses of working families with children under age 13.[1] We examine the likelihood that different kinds of families pay for child care and how much money different kinds of families pay, both in dollar terms and as a percentage of their earnings. We focus on child care expenses in nonsummer months, providing a snapshot of monthly expenses in the spring or fall of 1997.[2]

The NSAF data update the national-level picture that has been presented in other analyses (Casper 1995; Hofferth et al. 1991; National Center for Health Statistics 1997). The NSAF data also let us look for the first time at child care expenses in each of 12 focal states.[3] Each state's results are unique, because states differ in their populations, their child care policies and funding levels, and their child care markets.

The NSAF collected information on child care expenses from the individual in each family who was most knowledgeable about the "focal children" in that family—the one or two children about whom many detailed questions were asked. If that individual (usually the mother)[4] reported that a focal child was in child care while she was working, she was asked about the cost of all child care arrangements and programs for all the family's children under age 13.[5] Some households included more than one family group—such as two adult sisters and the children of each sister, or a multigeneration family that included a young mother and her children together with the young mother's parents and younger siblings. In those cases, each family group was treated as a separate family for this analysis.[6]

We begin by describing the child care expenses of America's families at the national level and then turn to analysis of the 12 focal states. For both the national-level and state-level analyses, three aspects of expenses are examined: the percentage of working families paying for child care, the average expenses among those that do pay for care, and the average percentage of earnings spent for child care. Those three aspects of child care expenses are examined for all families overall and for three particular groups of families: those with younger versus older children, single-parent versus two-parent families, and families with different earnings levels. Low-earning families—a particular focus of policy—are examined in greater depth, with analysis of the child care expenses of different types of low-earning families and the distribution of low-earning families by the percentage of earnings paid for child care. The appendix presents data for additional groups of families not discussed in the text—by mother's education level, whether the mother works part-time or full-time, whether the family resides in a metropolitan area, and mother's race or ethnicity.

Two points are important to keep in mind in considering the data reported in this paper. First, the numbers are based on the combined experiences of many different types of families. For instance, the average amount of child care expense reported here includes families using care 50 hours per week and those using care 10 hours per week; families in which the youngest child is an infant and those in which the youngest child is 12 years old; families with one child and those with several chil-

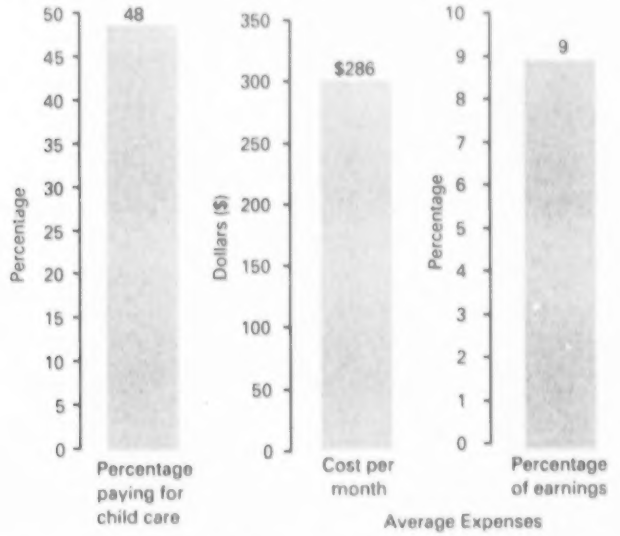
dren; families receiving subsidized child care and those that are not subsidized; and families with children who are cared for informally by relatives and those with children who are in child care centers. Second, the dollars reported by NSAF respondents are their own expenses and not necessarily the full cost of their children's care. If a family's child care costs are paid entirely by the government or another person or organization, that family will be classified as not paying for child care in this analysis. If a family pays a portion of the care but not the full cost (as when a subsidized family makes a copayment), the dollar amount analyzed here is only the family's portion. The issue of child care subsidies will be examined in subsequent analysis of the NSAF data.

The National Picture

Child Care Expenses of America's Families

Nationally, the NSAF data show that, in 1997, 48 percent of working families with children under age 13 had child care expenses (figure 1).* Among those that did *not* pay for child care—52 percent—are families that did not use nonparental child care (because parents scheduled work to coincide with school hours or arranged to work different shifts) and families that used nonparental child care but did not pay for it (either because the care was provided at no charge by a friend or relative or because the costs were paid by the government, another organization, or another individual). This paper focuses on the expenses of the 48 percent that did pay for child care.

Figure 1 *Child Care Expenses of Working Families with Children under Age 13*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.

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Among the 48 percent of working families with children under age 13 that paid for child care, the average monthly expense was $286 per month, or an average of 9 percent of earnings.[8] For families paying 9 percent of their earnings for child care, the expense is probably the second largest in the family's budget, after rent or mortgage. Of course, 52 percent of working families do not spend any of their earnings on child care. Across all families, those that do and don't pay, the average expense was $139 per month, or 4 percent of earnings.

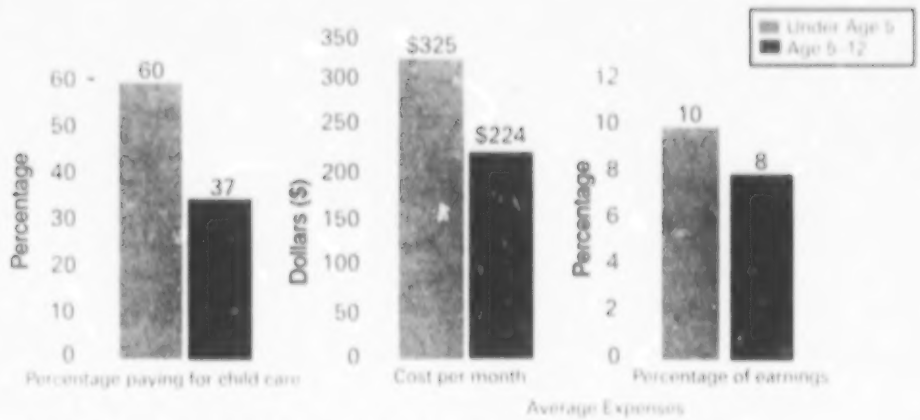
These overall averages mask large variations across different types of families. Below, we look at the child care expenses of families with younger versus older children, single versus married parents, and lower versus higher earnings. Families with younger children and families headed by single parents have fewer possibilities for avoiding some nonparental care, and families with low earnings by definition have fewer resources with which to pay for child care. Single-parent, low-income families are the key focus of welfare reform efforts and, therefore, of particular policy concern.

Child Care Spending Patterns of Families with Younger Children Compared with Families with Older Children

Child care expenses are a particularly important issue for families with children who are not yet in school. For older children, school obviates the need for child care for about six hours a day, reducing the number of hours for which child care must be arranged and possibly paid. Two-parent families with school-age children may choose to have one parent work only during school hours, so no child care is needed. Even if parents are working outside school hours, school-age children are often allowed to spend a few hours in "self-care," without a specific child care arrangement. (Capizzano, Tout, and Adams 2000). In contrast, families with infants, toddlers, or preschool children need some sort of child care arrangement for every hour that parents are working. According to the NSAF data, families with a child under age 5 composed about half—49.3 percent—of all working families with children under age 13 in 1997. Moreover, among working mothers who left welfare during the two years before the NSAF survey, 56 percent had a child under age 5 (Schmidt, forthcoming).

Because of their different needs, families with younger children are much more likely to pay for child care than families with only school-age children. Nationwide, 60 percent of working families in which the youngest child was under age 5 paid for care, compared with 37 percent of working families in which the youngest child was age 5 to 12 (figure 2). Furthermore, when families with young children did pay for care, they paid an average of $325 per month, or 10 percent of earnings, compared with $224, or 8 percent of earnings, for those families in which the youngest child was age 5 to 12. The higher average expenses for families with younger children make sense, as preschool children are likely to be in child care for more hours, and providers often charge more per hour for the care of younger children.

Figure 2 *Child Care Expenses, by Age of Youngest Child*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.
Note: In each pair of figures, the difference between the estimates is statistically significant.

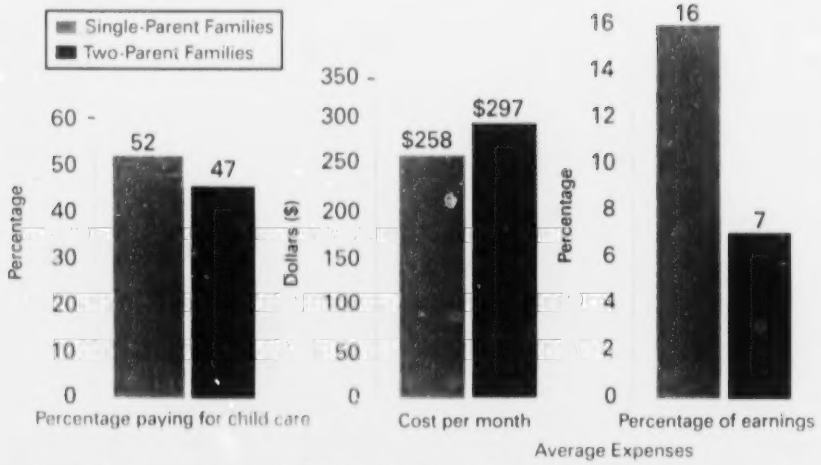
Child Care Spending Patterns of Single-Parent Families Compared with Two-Parent Families

Like families with young children, single-parent families are another group for which child care expenses may be an especially critical issue. Single-parent families usually have only one potential earner and, therefore, lower average incomes.[9] In addition, single-parent families do not have the option of avoiding paid child care by having one parent work when the other is at home. And, without a second earner, single parents are less likely to be able to work only when their children are in school. Single parents are in the minority among all working families with children, composing 26.6 percent of that group, according to the NSAF data. However, they represent the majority of families who rely on cash aid: 78.1 percent of the current Temporary Assistance for Needy Families (TANF) caseload and 61.4 percent of former TANF recipients according to tabulations of NSAF data (Loprest and Zedlewski 1999).

According to the NSAF data, single-parent families in 1997 were slightly more likely to pay for child care than two-parent families.[10] The difference is not large: 52 percent of single-parent families paid for care, compared with 47 percent of two-parent families (figure 3). Two-parent families have more opportunities to rely solely on parental care, as noted above, but they also have greater resources with which to pay for care, so they may have less need to arrange unpaid care.

When single-parent families paid for child care, they paid an average of $258 per month nationally, compared with $297 paid by two-parent families nationally. But the direction of the difference between the two groups is reversed when expenses are

Figure 3 *Child Care Expenses, by Family Type*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.
Note: In each pair of figures, the difference between the estimates is statistically significant.

considered as a percentage of earnings. Single-parent families that paid for care paid an average of 16 percent of their earnings, compared with only 7 percent of earnings among two-parent families that paid for care. To put the difference between 16 percent and 7 percent of earnings in perspective, consider that it amounts to $150 a month for a single mother earning $20,000 per year.

Child Care Spending Patterns of Low-Earning Families Compared with Higher-Earning Families

While child care expenses are an important concern for all working families, the issue is perhaps of greatest concern to policymakers as it relates to families with low earnings. When earnings are low, the level of child care expense could affect whether a family is able to "make it" on those earnings or must rely on some sort of assistance from family or public programs. In the post-PRWORA (Personal Responsibility and Work Opportunity Reconciliation Act) environment of time-limited benefits, when families no longer have an unlimited option to move back and forth between welfare and work, child care becomes even more critical.

For this analysis, low-earning families are defined as those with earnings no more than 200 percent of the federal poverty threshold.[11] According to the NSAF data, 36 percent of all working families with children under age 13 had low earnings.

Below, we examine the same three measures—percentage paying for child care, average expenses, and average expenses as a percentage of earnings—that have been presented for the other subgroups. In addition, we show the distribution around the

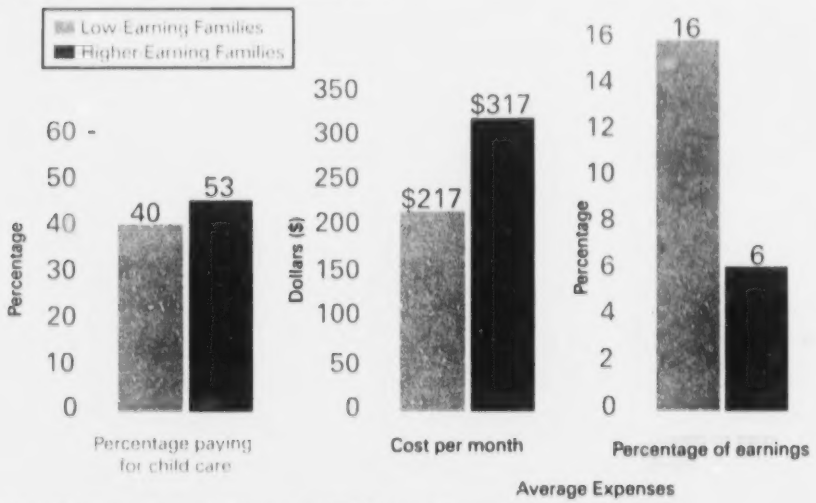
average percentage of earnings spent on child care; and we examine the child care expenses of different groups of low-earning families by type of family, age of the youngest child, welfare status, and poverty status.

Percentage Paying for Child Care: At the national level, 40 percent of low-earning working families with a child under age 13 reported child care expenses, compared with 53 percent of higher-earning families (figure 4). Working families with lower earnings have less ability to pay for child care and, therefore, a greater incentive to avoid child care expenses altogether by relying solely on parental care, arranging unpaid care from a friend or relative, or obtaining care at no cost through other means. In general, only low-earning families would be able to obtain child care free through a government subsidy program or a program such as Head Start.[12] Because of these differences between low-earning and higher-earning families, low-earning families are less likely to pay for child care than higher-earning families; it may be somewhat surprising that the difference is not larger.

Average Dollar Amount Paid for Child Care: Among the families paying for child care, the average expense was $217 per month among the low-earning families, compared with $317 per month for the higher-earning families. This makes sense for the same reasons, cited above, that we expect a smaller percentage of low-earning families to pay for child care. In addition, some of the low-earning families who pay for child care are not paying the full cost of care. Child care subsidy programs typically use a "sliding fee scale" that requires a copayment from families who are above the very lowest income levels.

Child Care Expenses as a Percentage of Earnings: When child care expenses are examined as a percentage of earnings, the direction of the difference between low-earning and higher-earning is reversed. Nationwide, low-earning families that had child care expenses paid an average of 16 percent of their earnings for

Figure 4 *Child Care Expenses by Earnings Level*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.
Note: In each pair of figures, the difference between the estimates is statistically significant.

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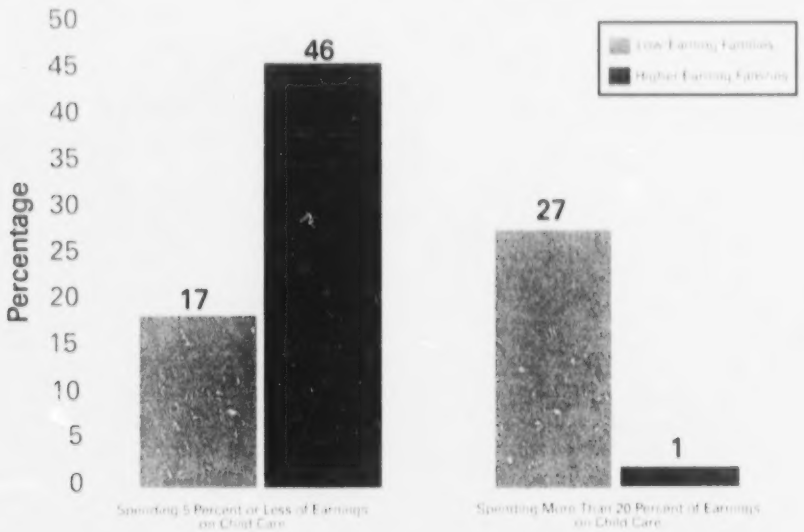
child care, compared with only 6 percent for higher-earning families. Thus, low-earning families paid a lower dollar amount than higher-earning families, but it was a much higher percentage of their earnings.

While low-earning families spent 16 percent of their earnings on average, and higher-earning families spent an average of 6 percent, there is a distribution around each average. Variation in this measure can be expected for many reasons, including variations in numbers and ages of children, types of care, and number of hours that children are in child care. But for low-earning families, there is an additional reason for large variation in child care expenses: low-earning families that receive subsidized child care may have to pay only a relatively small copayment, while low-earning families that are not subsidized could pay significantly more for the same care. Thus, it is particularly important to know the distribution around the average percentage of earnings spent on child care by the low-earning population.

At the national level, 17 percent of low-earning families with child care expenses paid less than 5 percent of their earnings in 1997, while 27 percent paid more than 20 percent (figure 5). Even taking into account the fact that not all families paid for care, these findings suggest that 11 percent of all low-earning working families with children under age 13 paid more than 20 percent of their earnings for child care.[13]

The situation is markedly different for the higher-earning families. Among those who paid for child care, 46 percent spent less than 5 percent of their earnings for that care, and only 1 percent paid more than 20 percent of their earnings.

Figure 5 *Distribution of Percentage of Earnings Spent on Child Care by Low- and Higher-Earning Families That Pay for Care*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.

Child Care Expenses of Lower-Earning Families: A Closer Look

Within the broad grouping of low-earning families are single-parent and two-parent families, those with younger and older children, families who are officially "poor" and those above that level, and families who have and have not ever received cash welfare benefits. Child care expenses differ across these different groups of families.

Low-Earning Families with Younger versus Older Children: When low-earning families are examined by the age of their youngest child, the differences are similar to those observed for families with younger versus older children overall (table 1). Low-earning families in which the youngest child is under age 5 are more likely to pay for child care. When they pay for care, they pay higher amounts than families with only school-age children, both in dollar terms and as a percentage of earnings.

Low-Earning Single-Parent versus Two-Parent Families: Among low-earning working families, single-parent families are much more likely to pay for child care than two-parent families: 50 percent of single parents paid for care in 1997, compared with only 29 percent of two-parent families. Thus, the proportion of low-earning single-parent families paying for child care was only slightly lower than the 52 percent of all single-parent families paying for child care. In contrast, the propor-

Table 1 *Child Care Expenses of Low-Earning* Families*

	Working Families with Children under Age 13		
	Percentage of Families Paying for Child Care	Average Monthly Expenses ($)	Average Percentage of Earnings
All Low-Earning Families	40	217	16
By Age of Youngest Child			
Under 5	51+	237+	17
5–12	28+	178+	14
By Family Type			
Single-Parent Families	50+	230+	19+
Two-Parent Families	29+	194+	11+
By Welfare History			
Ever on AFDC/TANF	45+	211	18+
Never on AFDC/TANF	38+	221	15+
By Poverty Status			
Earnings < 100% Poverty	34	190	23

Source: Urban Institute calculations from the 1997 National Survey of America's Families.
Notes:
* Low earnings are defined as current earnings at or below 200 percent of the federal poverty level.
\+ Estimate is significantly different from paired subgroup.
AFDC = Aid to Families with Dependent Children.
TANF = Temporary Assistance for Needy Families.

tion of low-earning couples paying for care is much lower than the 47 percent of all couples paying for care.

When low-earning single-parent families paid for child care, they paid an average of $230 per month, higher than the $194 monthly expense reported by low-earning two-parent families. This finding is in contrast to the overall data presented earlier, which showed that single-parent families paid less, on average, than two-parent families. Among low-earning families, both single-parent and two-parent families have an incentive to minimize expenses, but single-parent families may have fewer options to minimize the amount of nonparental care they use.

Low-earning single-parent families that pay for child care spend a very high percentage of their earnings on that care: 19 percent in 1997, compared with 11 percent for low-earning two-parent families.

Low-Earning Families by Welfare Status: Examined by welfare status, 45 percent of the low-earning working families that had ever received Aid to Families with Dependent Children (AFDC) or TANF paid for child care, compared with only 38 percent of the low-earning families that had never received AFDC or TANF. One possible reason for the higher prevalence of child care payments among the families that have received welfare is that receipt of subsidized care while connected with the welfare system might alter families' access to or preferences for different types of care. Another contributing factor may be that the ability to work without paying for child care (because of the availability of free child care from a relative, for example) may help a family avoid the welfare rolls in the first place.

Among the low-earning families paying for child care, those that had ever received welfare and those that had never received welfare paid about the same average amount in dollar terms. However, for the families with a welfare history, that amount was a slightly higher percentage of their earnings—18 percent, compared with 15 percent for the families that had never received welfare. The families with welfare histories had lower earnings, on average, probably at least partly because of a higher concentration of single-parent families in this group.

Families below the Poverty Threshold: When the definition of "low earnings" is narrowed to the poorest families—those earning less than the official poverty level—child care expenses are still substantial. Among the working families earning less than the poverty level, 34 percent paid for child care. Of those who paid, the average expense was $190 per month, which was, on average, 23 percent of their earnings.

Summary of the National-Level Picture

Nationwide, about half of all working families with children under age 13 paid for child care in 1997. The average monthly expense among those paying for care was $286, about 9 percent of their earnings. These figures vary significantly by family characteristics:

- Families with a child under age 5 are much more likely than other families to have to pay for care, and when they do pay for care, they pay more than other families both in absolute terms and as a percentage of earnings.
- Single parents are slightly more likely than couples to pay for child care. Their average expenses are lower than for couples in absolute terms but are higher as a percentage of earnings.
- Families with low earnings are less likely than those with higher earnings to pay for child care, but there is still a substantial minority among the low-earning group—40 percent—who pay for care. On average, they spend 16 percent of their earnings to purchase child care, but 27 percent of these families pay more than 20 percent of their earnings. Single-parent families with low earnings are an especially hard-hit group. Half of them pay for child care, and the expense amounts to an average of 19 percent of their earnings. In the absence of child care subsidies, we would see an even higher percentage of low-earning families paying for child care, and the average amount would be higher.

The State-by-State Picture

The NSAF data provide the first opportunity to look at state-level variations in the child care expenses reported by working families. States vary in their child care expenses because of differences in child care markets, populations, and policies. Policies that differ across the states include licensing and staffing ratios, special programs such as universal prekindergarten, eligibility requirements for federally funded child care subsidies, and the extent to which state and federal funds are allocated to child care. Other variations across states include the relative and absolute costs of different types of care, the relative availability of different types of care, differences in underlying preferences for different types of child care (including the preference to find alternatives to paid child care or to avoid any nonparental care), and differences in the demographic makeup of a state's working parents. These factors are interrelated. For instance, demographic characteristics may affect underlying preferences for different kinds of child care; state policies such as staffing ratios affect the costs charged by providers, which, in turn, affect parents' child care choices.

Below, we first examine the state-by-state results for our three measures—the percentage of working families with a child under age 13 paying for care, the average dollar amount spent on care, and the average percentage of earnings spent on care—for all kinds of families combined. Then we focus on three types of families that are more likely to pay for child care or more likely to pay a high percentage of earnings for child care—families with children under age 5, single-parent families, and families with low earnings. The analysis of subgroups reveals some of the complexity of each state's child care situation, which can be obscured by the overall state averages.

This discussion highlights key findings concerning child care expenses at the state level. More detailed tables of state-specific results are included in the appendix (tables A3–A5).

Child Care Expenses across the States, for All Families Combined

Percent Paying for Child Care: Overall, the percentage of working families that paid something for child care does *not* vary greatly across the 12 focal states (table 2). In most of the states, the percentage paying for care is about the same as the national average of 48 percent. The percentage is slightly higher in Alabama, Florida, and Minnesota.[14]

Dollar Amount Paid for Child Care: For those families that did pay for child care, there *are* large differences across states in the amount of the expense. Families in 3 of the 12 states reported expenses significantly below the national average of $286 per month: $209 in Mississippi, $239 in Florida, and $241 in Alabama. Families in four states reported expenses significantly higher than the national average: $370 in Massachusetts, $362 in New Jersey, $332 in New York, and $315 in Minnesota.

Percentage of Earnings Paid for Child Care: When child care expenses are examined as a percentage of a family's earnings (table 2 and figure 6), there is much less cross-state variation than there is for the absolute dollar amounts. In no focal state was the average percentage of earnings spent on child care significantly below the national average of 9 percent; in two states (New York and California) the percentage of earnings paid for child care was significantly above the national average.

The reason there is less variation in the percentage of earnings than in the absolute dollar amount is that families' earnings also varied across the states. Massachusetts and New Jersey families reported high child care expenses, but families paying for child care in those states had higher earnings, on average, than families paying for child care in any of the other NSAF focal states. New Jersey families, for example, reported average child care expenses 26 percent above the national average,

Table 2 *Child Care Expenses, State by State*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
All Families													
Percentage Paying	48	**54**	49	**55**	51	47	**54**	52	49	48	47	47	48
Families That Pay for Care													
Average Monthly Expenses ($)	286	**241**	343	**239**	**370**	285	**315**	**209**	**362**	**332**	268	300	279
Average Percentage of Earnings Used for Child Care	9	10	11	9	10	10	9	9	9	11	9	9	9
Average Monthly Earnings ($)	4,433	3,813	4,545	4,135	5,212	4,168	4,862	3,141	5,491	4,338	4,571	4,957	4,146

Source: Urban Institute calculations from the National Survey of America's Families.
Note: **Bold** type indicates estimate is significantly different from the national average.

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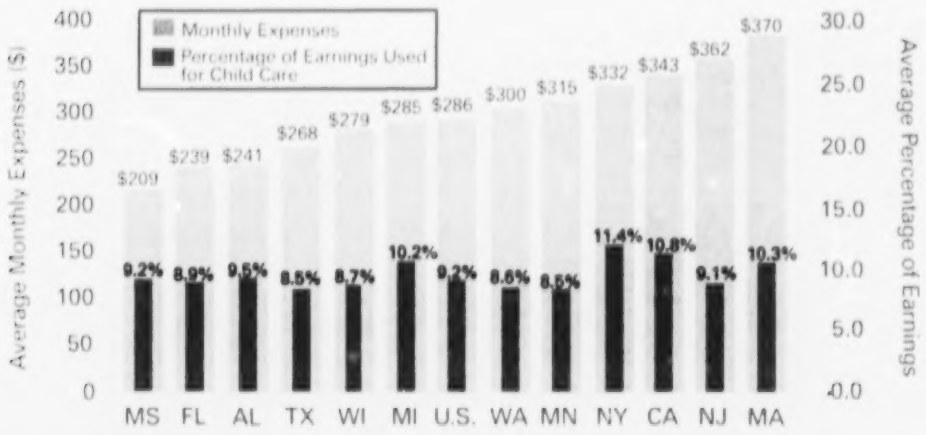
Figure 6 *Average Monthly Expenses and Percentage of Earnings Used for Child Care, by State*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.

but mean earnings for these families were 24 percent above the national average. Thus, the average percentage of earnings that families paid for child care in both Massachusetts and New Jersey was not significantly different from the percentage paid in the nation as a whole. Likewise, all the states with average expenses significantly below the national average also had state median incomes below the national average and percentage-of-earnings figures not much different from the national average. For example, in Mississippi—the state where families reported the lowest child care expenses—average expenses were 73 percent of the national average and average earnings among families paying for child care were 71 percent of the national average.

Differences in state median incomes do not account for all the differences in expenses, however. In both New York and California, the average percentage of earnings that families paid for child care was 11 percent, significantly above the national average of 9 percent. The difference between spending 9 percent of earnings on child care and spending 11 percent might seem small, but it could have a nontrivial impact on a family's budget. For instance, at annual earnings of $30,000, the difference amounts to $50 per month, or $600 annually.

The reason that New York and California families spent a higher-than-average percentage of earnings on child care is that, while the average earnings of families paying for child care in these states were very close to the national average, average child care expenses exceeded the national average. For instance, New York's working families reported average expenses 16 percent above the national average, but average earnings among families paying for child care were 2 percent below the national average.

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Child Care Expenses across the States, for Families with Children under Age 5, Single-Parent Families, and Low-Earning Families

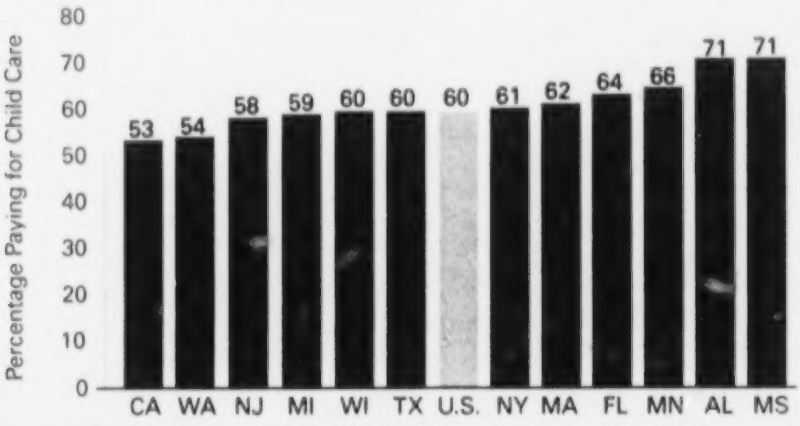
At the national level, families with children under age 5 were more likely than other families to pay for child care; and single-parent families and low-earning families were likely to pay high percentages of their earnings when they paid for child care. Below, we examine these groups of families at the state level, looking at the percentage paying for care and at their expenses. The measure of expense used here is the percentage of earnings spent on care, since that automatically corrects for differences in earnings levels across the states. We continue to find differences across the states when we look at a particular type of family, suggesting that the overall cross-state differences presented above are probably not entirely due to varying demographics.

Families with Children under Age 5: When all families were analyzed together, there was very little cross-state difference in the percentage paying for child care, with a range of only 47 percent to 55 percent. But among families with a child under age 5, there was a wide range across the states in the percentage paying for child care, from 53 percent in California to 71 percent in Mississippi and Alabama (figure 7). When these families paid for child care, the percentage of earnings they spent on that care ranged from 10 percent to 13 percent (table 3).

Single-Parent Families: Among single-parent families, there were no significant differences across the states in the percentage of families paying for child care. But there was a very wide range in the percentage of earnings devoted to child care by single-parent families: from 13 percent in Mississippi to 19 percent in Michigan.

Low-Earning Families: The child care expenses of low-earning families vary across the NSAF states, both in terms of the likelihood of paying for care and in terms of the amount spent on care.

Figure 7 *Families with a Child under Age 5 That Pay for Child Care, by State*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.

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Table 3 *Child Care Expenses across the States, for Different Groups of Families*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
Families with a Child under Age 5													
Percentage paying for child care	60	71	53	64	62	59	66	71	58	61	60	54	60
Among families that paid, percentage of earnings spent on child care	10	11	11	11	11	11	10	10	10	13	9	11	10
Single-Parent Families													
Percentage paying for child care	52	58	57	55	59	53	56	53	53	58	47	49	46
Among families that paid, percentage of earnings spent on child care	16	16	19	15	18	19	15	13	16	18	17	15	15
Families with Low Earnings													
Percentage paying for child care	40	46	41	47	47	42	45	50	39	46	37	32	38
Among families that paid, percentage of earnings spent on child care	16	17	18	16	20	20	18	13	18	20	14	19	16

Source: Urban Institute calculations from the 1997 National Survey of America's Families.
Note: **Bold** type indicates estimate is significantly different from the national average.

The percentage of low-earning families who paid for care varied from 32 percent in Washington to 50 percent in Mississippi, compared with the national average of 40 percent. In almost all states, low-earning single-parent families were significantly more likely to pay for care than low-earning two-parent families, and those with a young child were more likely to pay than those with only children age 5 and older (table 4).

For families with low earnings that paid for child care, the average percentage of earnings spent on that care ranged from 13 percent in Mississippi to about 20 percent in Massachusetts, Michigan, and New York (figure 8). This range is especially wide in light of the low incomes of the families in this group.

As discussed earlier, there is a distribution around the average percentage of earnings spent on child care. Among low-earning families paying for child care, that distribution varies across the NSAF states (table 5). The percentage of low-earning families spending less than 5 percent of earnings for child care varies from 11 percent in Massachusetts to 25 percent in Minnesota, while the share spending more than 20

Table 4 *Percentage of Low-Earning* Working Families Paying for Child Care, by Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
All Families	40	46	41	47	47	42	45	50	39	46	37	32	38
Family Type													
Single-Parent Families	50+	58+	57+	52	57+	52+	52+	51	47+	57+	46+	40+	47+
Two-Parent Families	29+	26+	29+	40	31+	25+	38+	50	30+	32+	28+	25+	27+
Age of Youngest Child													
Under 5	51+	58+	45	60+	57+	51+	56+	65+	48+	59+	46+	34	40+
5–12	28+	32+	36	32+	36+	32+	34+	33+	32+	27+	27+	29	27+

Source: Urban Institute calculations from the National Survey of America's Families.
Bold type indicates estimate is significantly different from the national average.
Notes:
* Low earnings are defined as current earnings at or below 200 percent of the federal poverty level.
\+ Estimate is significantly different from paired subgroup within the state.

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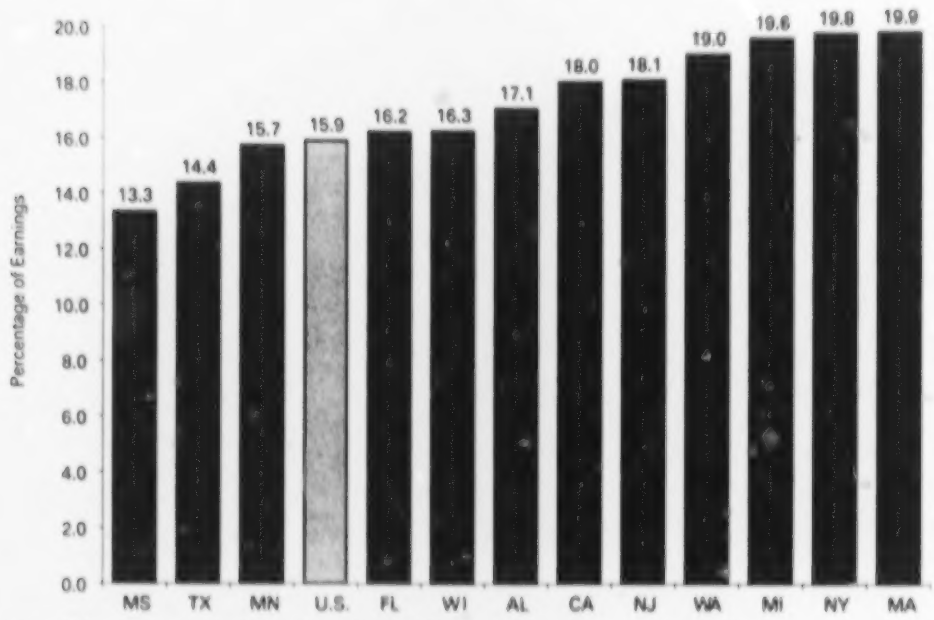
Figure 8 *Percentage of Earnings Spent on Child Care by Low-Earning Families, by State*



Source: Urban Institute calculations from the 1997 National Survey of America's Families.

Table 5 *Percentage of Earnings Spent on Child Care by Working Families Paying for Care*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
Low-Earning Families													
Less than 5%	17	13	17	15	11	13	25	14	13	19	20	16	19
Between 5% and 10%	24	23	18	22	15	22	22	19	22	23	26	31	22
Between 10% and 15%	18	14	17	21	21	14	15	16	15	23	9	25	16
Between 15% and 20%	14	19	14	10	16	20	12	15	19	12	17	9	14
Greater than 20%	27	31	34	32	37	32	26	35	31	23	28	19	29
Higher-Earning Families													
Less than 5%	46	53	44	53	44	48	45	49	48	53	47	47	41
Between 5% and 10%	38	37	40	34	31	36	33	31	29	35	32	46	41
Between 10% and 15%	11	8	7	9	16	9	15	11	16	9	12	5	13
Between 15% and 20%	4	2	6	2	4	4	4	5	3	2	5	2	3
Greater than 20%	1	0	2	1	5	3	3	4	5	1	3	0	2

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

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percent varies from 19 percent in Washington to 37 percent in Massachusetts. In all the states, the distribution is very different for higher-earning families, with at least 41 percent of higher-earning families who paid for child care paying less than 5 percent of earnings, while no more than 5 percent of higher-earning families paid more than 20 percent of earnings.

Summary of the State-Level Picture

In each of the NSAF states, about half or slightly more than half of all working families with children under age 13 paid for child care. For those families that paid for child care, there are large differences in the average expense in dollar terms: from $209 in Mississippi to $370 in Massachusetts, compared with the national average of $286. But when expenses are examined as a percentage of earnings in order to adjust for differences in earnings levels across the states, there is much less cross-state variation, with most states not significantly different from the average national expense of 9 percent of earnings.

The overall state-level results mask some significant variations when different groups of families are examined separately:

- Among families with a child under age 5, the percentage paying for child care ranges from 53 percent in California to 71 percent in Mississippi and Alabama.
- Among single-parent families, the percentage of earnings spent on child care varies from 13 percent in Mississippi to 19 percent in Michigan.
- Among families with low earnings, the percentage paying for child care varies from 32 percent in Washington to 50 percent in Mississippi; and the percentage spending more than 20 percent of their earnings for child care varies from 19 percent in Washington to 37 percent in Mississippi.

Conclusions

It is clear that child care is a major expense for American families. As these data show, about half of all working families with children under 13 years of age pay for child care, and they pay almost $1 out of every $10 they earn for that care. Child care expenses are of particular concern for three groups of families: families with younger children, single-parent families, and families with low earnings. Specifically:

- Working families with children younger than school-age (under 5) must arrange some sort of nonparental care for every hour that parents are working. Consequently, it is not surprising that three out of five American working families with young children pay for child care—although the proportion paying for care varies across states, ranging from 53 percent in California to 71 percent in Mississippi and Alabama. Families that pay for care pay, on average, 10 percent of their earnings.
- Single-parent families do not have the same options as two-parent families for avoiding nonparental care and, on average, they have less money to pay for child

care. Consequently, about half of single-parent working families pay for child care. When they do pay for care, they pay an average of 16 percent—$1 of every $6—of their earnings for that care, a much higher percentage of earnings than paid by two-parent families. In the NSAF states, the percentage of earnings that single-parent families spend on child care ranges from 13 percent in Mississippi to 19 percent in Michigan.

- Families with low earnings by definition have limited resources with which to pay for child care and will find paying for care more challenging. Nationally, 40 percent of low-earning families paid for child care, and it required an average of 16 percent of their earnings—again, $1 of every $6 earned. There was wide variation across the NSAF states both in the percentage of low-earning working families paying for child care (from 32 percent in Washington to 50 percent in Mississippi) and in the portion of earnings devoted to that care (from 13 percent in Mississippi to 20 percent in Massachusetts, Michigan, and New York).
- Some low-earning families spend even more. For example, across the states, a sizeable group of low-earning families (19 percent to 37 percent of all those paying for care) paid more than 20 percent of earnings to purchase child care. And when we look at the *lowest*-earning families nationwide—families with earnings below the poverty level—we find that those who are poorest who paid for child care spent on average 23 percent of their earnings on care.

These facts have very real implications for American families and children. Child care expenses can affect a family's decisions about work, as the cost of child care can affect whether a mother who wants to work outside the home will be able to do so. Child care costs also can affect children's development, by determining not only the type but also the quality of care that the family can afford.

These issues are of particular concern when examining the child care expenses of single-parent families and low-earning families. Even though these expenditures represent a very high proportion of their income—particularly considering their other basic needs of food, housing, transportation, and utilities—they may not be sufficient to purchase some forms of care or better-quality care. For example, a parent working full-time at $10 an hour paying 16 percent of his or her earnings would have a monthly child care bill of about $275—or $3,300 a year—while the *average* cost of child care in many cities across the country can easily reach $4,000 to $6,000 (Schulman and Adams 1998). Higher-quality care—which can particularly benefit children who are at greater risk of school failure—can cost even more. These findings demonstrate the important role that child care subsidies can play in helping working families afford child care and in helping them access better-quality care.

The information in this report is particularly relevant in a period when a booming economy and welfare reform have brought many low-income single parents into the workforce. In spite of significant increases over the past decade in funds to subsidize the child care costs of low-income families, it is clear that many low-income employed parents continue to pay substantial amounts out of pocket for child care arrangements for their children. These data support the ongoing efforts of federal and state policymakers to help make quality child care more affordable for America's families.

Notes

1. The National Survey of America's Families is a national survey of more than 44,000 households. The sample is nationally representative of the noninstitutionalized civilian population of persons under age 65 in the nation as a whole and in selected states. For more on NSAF survey methods, see Dean Brick et al. (1999). The survey focuses primarily on health care, income support, job training, child care, and other social services.

2. Because child care arrangements and the hours spent in care can vary widely from the school year to the summer, the observations with data on child care relating to the summer months (June 12 to September 26) were not included in this analysis. The school year observations that are included in the analysis are weighted to provide representative data on school year child care. Our data set contains a total of 10,398 working families with at least one child under age 13. Tables A1 and A2 in the appendix give the sample sizes for each state and for population subgroups within states, both for all working families with children under age 13 and for the subset paying for child care.

3. The 12 states presented in this paper are Alabama, California, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. Colorado is also a focal state in the *Assessing the New Federalism* (ANF) project but is not included in these analyses. Because of a delay in the start of the survey in Colorado, responses to the child care questions from a large number of Colorado respondents were received during the summer months and did not provide information on the nonsummer child care expenses that are the focus of this analysis. Because of the small size of the nonsummer sample from Colorado, it is excluded from the analysis. The 13 ANF focal states were chosen because they capture regional differences, and differences in state fiscal capacity, and because they contain over 50 percent of the U.S. population.

4. The mother of the child was the "most knowledgeable adult" (MKA) for 74 percent of the children in the sample.

5. The survey also asked about child care expenses if the MKA was looking for work or in school while a focal child was in child care. However, this analysis focuses on the expenses of families with a working MKA. In addition, a small number of cases were excluded where the MKA was under age 18 or over age 64.

6. When the two focal children in a household had different MKAs, we examined the household relationships. In most cases, one of the adult-child pairs was in a separate subfamily (by Bureau of the Census definitions), and we treated each MKA as providing information about a different family. In some cases, one spouse was the MKA for one of a couple's children, and the other spouse was the MKA for the other; those households were treated as a single observation of child care expenses.

7. Specifically, the "working families" analyzed here are ones where the adult who is most knowledgeable about the focal children is working, and reports using child care while he or she works. In general, that most knowledgeable adult is the mother of the children and either has no spouse or partner or has a spouse or partner who also is working.

8. The percentage-of-earnings calculation uses the current monthly earnings of the MKA and his or her spouse or partner. The earnings of others in the family (such as older children) were not included.

9. Single-parent families might be living with other relatives or nonrelatives, including actual or potential wage-earners. However, as discussed earlier, we are using a narrow definition of family in which a single parent and her or his children would usually be a separate family, even if they are living with other relatives.

10. These data include 3,291 working families with children under age 13 in which the MKA does not have a spouse or unmarried partner in the household. In that group, 3,122 of the families are headed by a single biological, adoptive, or stepparent, and 169 are headed by some other unmarried caretaker, usually a grandmother. There are 7,107 working families with children under age 13 in which the MKA does have a spouse or partner. Of those, there are 6,965 in which the MKA is the biological, adoptive, or stepparent of the children and 142 in which the MKA is related in some other way to the children, usually as a grandparent. For simplicity, we refer to the 3,291 families as "single-parent" families and the 7,107 families as "two-parent" families, even though the adults are not always the parents. Also, note that in "two-parent" families, the two adults may be unmarried partners.

11. Specifically, low-earning families are defined as those with monthly earnings less than or equal to 200 percent of the applicable poverty threshold for that family's size. Only the earnings of the head and spouse (if present) are counted; the earnings of children in the family are excluded. For a family of three with one child, the 1997 poverty threshold was $12,919 in annual terms or $1,077 per month, so 200 percent of that level was $2,154 per month. The designation of low or high earnings is based on earnings at the time of the survey, rather than earnings in the previous calendar year, for consistency between the earnings and the child care expenses. Note that our measure of whether a family has low earnings is not the same as a standard measure of poverty, because we include only earnings rather than total income.

12. Some higher-earning families with special characteristics—such as families with a nonparent caretaker—might be eligible for free child care in some states. In general, in cases when families with earnings over 200 percent of poverty are still under their state's income threshold for subsidized care, a copayment would be required.

13. According to these data, 40 percent of low-earning working families with children under age 13 paid for care. Of those 40 percent, 27 percent paid more than 20 percent of earnings; 27 percent of 40 percent is 11 percent.

14. All differences cited in the text of this report between a state-specific number and the national average are statistically significant at the 95 percent confidence level—in other words, there is 95 percent certainty that the two numbers represent a true difference, and that the apparent difference is not merely due to the variability associated with survey sampling. The tables indicate when the estimate for a particular state is significantly different from the national estimate. The tables do not show the results of significance tests between pairs of states. Some apparent differences between two numbers may not be statistically significant, but we include all the numbers nonetheless, as each provides our best "point estimate" for a particular state or population subgroup.

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Appendix

Table A1 *Sample Size of Working Families with Children under Age 13, by State and Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
All Families	10,398	626	574	690	745	692	802	741	652	640	688	605	1,415
Family Type													
Single-Parent Families	3,291	223	181	238	229	218	199	189	207	196	188	242	511
Two-Parent Families	7,107	403	393	452	516	474	603	552	445	444	500	363	904
Number of Children under Age 13													
One	4,659	295	243	316	339	300	332	352	307	273	288	286	617
Two or More	5,739	331	331	374	406	392	470	389	345	367	400	319	798
Age of Youngest Child													
Under 5	5,163	305	312	336	364	343	400	369	323	335	323	301	701
5–12	5,229	321	261	354	380	349	400	372	329	305	365	303	713
Current Monthly Earnings (relative to family size)													
Low Earnings	4,683	309	289	328	286	303	311	260	302	334	260	333	662
High Earnings	5,635	315	277	357	454	383	488	475	343	301	423	268	741
MKA Education													
High School or Less	4,193	262	246	301	261	272	242	263	233	292	247	298	628
Some College or More	6,159	360	324	385	482	417	557	474	415	346	438	304	781
Parent's Work Status													
Part-time	2,893	111	159	170	306	248	226	207	210	133	204	107	405
Full-time	7,505	515	415	520	439	444	576	534	442	507	484	498	1,010
Metropolitan Status													
Nonmetropolitan	2,262	202	16	61	17	147	280	0	76	104	141	410	364
Metropolitan	8,136	424	558	629	728	545	522	741	576	536	547	195	1,051
Race/Ethnicity*													
White/Non-Hispanic	7,311	425	247	442	599	553	720	460	415	317	555	347	1,074
Other	3,087	201	327	248	146	139	82	281	237	323	133	258	341

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

* The race/ethnicity category has only two categories because of sample size issues.

Note: MKA = Most knowledgeable adult.

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Table A2 *Sample Size of Working Families Paying for Child Care with Children under Age 13, by State and Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
All Families	**4,934**	317	270	364	368	309	403	351	303	286	318	296	627
Family Type													
Single-Parent Families	**1,705**	126	100	132	128	111	106	104	115	93	90	117	238
Two-Parent Families	**3,229**	191	170	232	240	198	297	247	188	193	228	179	389
Number of Children under Age 13													
One	**2,103**	125	111	164	171	127	166	164	131	115	128	133	249
Two or More	**2,831**	192	159	200	197	182	237	187	172	171	190	163	378
Age of Youngest Child													
Under 5	**3,041**	206	163	204	218	195	247	211	189	188	171	204	386
5–12	**1,891**	111	107	160	150	114	154	140	114	98	147	92	241
Current Monthly Earnings (relative to family size)													
Low Earnings	**1,943**	140	120	153	126	117	130	117	130	122	90	155	253
High Earnings	**2,967**	177	148	209	241	190	273	232	171	162	227	139	369
MKA Education													
High School or Less	**1,771**	119	107	141	116	112	101	108	97	116	100	136	240
Some College or More	**3,145**	198	161	220	251	195	300	241	203	170	217	159	387

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

• The race/ethnicity category has only two categories because of sample size issues.

Note: MKA = Most knowledgeable adult.

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Table A3 *Percentage of Working Families Paying for Child Care with Children under Age 13, by State and Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
All Families	48	**54**	49	**55**	51	47	**54**	52	49	48	47	47	48
Family Type													
Single-Parent Families	52+	58	57+	55	59+	53	56	53	53	58+	47	49	46
Two-Parent Families	47+	52	45+	**55**	48+	45	**54**	52	48	43+	46	46	49
Number of Children under Age 13													
One Child	46+	45+	47	**54**	52	47	50	51	47	43+	45	44	41
Two or More Children	52+	**63+**	50	56	50	48	**57**	54	50	53+	48	50	54
Age of Youngest Child													
Under 5	60+	**71+**	**53+**	64+	62+	59+	**66+**	**71+**	58+	61+	60+	54+	60+
5–12	37+	37+	**44+**	**47+**	39+	35+	42+	34+	40+	35+	34+	40+	36+
Current Monthly Earnings (relative to family size)													
Low Earnings	40+	46+	41+	**47+**	**47**	42	45+	**50**	39+	46	37+	**32+**	38+
High Earnings	53+	60+	54+	**60+**	52	50	57+	54	52+	49	53+	52+	52+
MKA Education													
High School or Less	43+	46+	43	49	45	43	44+	**49**	39+	43	40+	40+	42+
Some College or More	52+	**59+**	52	**59**	53	50	58+	55	53+	51	52+	50+	52+
Parent's Work Status													
Part-time	38+	48	38+	40+	**47**	42	**48**	43+	36+	37+	36+	43	42+
Full-time	52+	55	52+	**60+**	53	50	57	54+	53+	52+	49+	48	50+
Metropolitan Status													
Nonmetropolitan	47	47	—	—	—	48	52	—	—	52	**34+**	42	48
Metropolitan	49	**57**	49	**56**	51	47	**55**	**56**	49	47	48+	48	48
Race/Ethnicity*													
White/Non-Hispanic	49	53	49	**57**	51	46	**54**	51	48	47	54+	50+	49
Other	47	**56**	49	52	53	51	50	54	50	49	**39+**	**35+**	44

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

* The race/ethnicity category has only two categories because of sample size issues.

+ Estimate is significantly different from paired subgroup within the state.

Notes:

— There were insufficient observations in these cells to allow analysis.

Bold type indicates estimate is significantly different from the national average.

MKA = Most knowledgeable adult.

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Table A4 *Average Monthly Cost of Child Care for Working Families Paying for Care with Children under Age 13, by State and Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
Percent Paying for Child Care	**48%**	**54%**	**49%**	**55%**	**51%**	**47%**	**54%**	**52%**	**49%**	**48%**	**47%**	**47%**	**48%**
All Families	**$286**	**$241**	**$343**	**$239**	**$370**	**$285**	**$315**	**$209**	**$362**	**$332**	**$268**	**$300**	**$279**
Family Type													
Single-Parent Families	**258**+	203+	**387**	213	**299**+	**263**	**256**+	163+	**280**+	**268**+	**294**	**278**	**234**+
Two-Parent Families	**297**+	260+	**321**	249	397+	**294**	329+	236+	385+	368+	259	**307**	**293**+
difference	**39**	**57**	**-66**	**36**	**98**	**31**	**73**	**74**	**105**	**101**	**-35**	**29**	**59**
Number of Children under Age 13													
One Child	**243**+	190+	**316**	208+	355	201+	**251**+	185+	318+	**296**	**236**	**252**+	**223**+
Two or More Children	**321**+	275+	**363**	267+	**383**	**352**+	**361**+	231+	402+	**361**	**294**	**335**+	**317**+
difference	**78**	**85**	**47**	**59**	**28**	**150**	**110**	**46**	**85**	**65**	**57**	**83**	**94**
Age of Youngest Child													
Under 5	**325**+	277+	**333**	282+	458+	**333**+	**361**+	233+	443+	402+	**293**+	374+	**328**+
5–12	**224**+	171+	355	185+	**227**+	**196**+	**241**+	159+	**250**+	**212**+	**226**+	**208**+	**200**+
difference	**101**	**106**	**-22**	**97**	**232**	**137**	**120**	**73**	**193**	**190**	**67**	**166**	**128**
Current Monthly Earnings (relative to family size)													
Low Earnings	**217**+	**206**+	**236**+	**207**+	267+	**248**	**218**+	160+	**243**+	**258**+	**221**+	**258**	**224**+
Higher Earnings	**317**+	259+	**398**+	255+	402+	**301**	**340**+	245+	395+	372+	**289**+	**309**	**297**+
difference	**100**	**53**	**162**	**48**	**135**	**53**	**122**	**75**	**152**	**113**	**69**	**50**	**73**
MKA Education													
High School or Less	**228**+	198+	**239**+	**203**+	281+	**227**+	278	176+	**270**+	**227**+	**246**	296	**227**+
Some College or More	**317**+	261+	401+	254+	402+	**311**+	**326**	238+	395+	383+	**279**	**303**	**308**+
difference	**89**	**63**	**163**	**51**	**121**	**83**	**48**	**62**	**125**	**157**	**33**	**7**	**81**
Average Monthly Earnings, Families Paying for Child Care	**4,433**	**3,813**	**4,545**	**4,135**	**5,212**	**4,168**	**4,862**	**3,141**	**5,481**	**4,338**	**4,571**	**4,957**	**4,146**

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

+ Estimate is significantly different from paired subgroup within the state.

Notes:

Bold type indicates estimate is significantly different from the national average.

MKA = Most knowledgeable adult.

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Table A5 *Average Percentage of Earnings Spent on Child Care by Working Families Paying for Care with Children under Age 13, by State and Selected Characteristics*

	U.S.	AL	CA	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI
Percent Paying for Child Care	48%	**54%**	49%	**55%**	51%	47%	**54%**	52%	49%	48%	47%	47%	48%
All Families	9.2	9.5	**10.8**	8.9	10.3	10.2	8.5	9.2	9.1	**11.4**	8.5	8.6	8.7
Family Type													
Single-Parent Families	15.6+	16.4+	18.9+	15.4+	17.6+	**19.1+**	15.3+	**13.2+**	16.4+	18.0+	17.1+	14.7+	15.1+
Two-Parent Families	6.6+	**6.0+**	6.9+	6.3+	7.4+	6.1+	6.9+	6.9+	7.1+	**7.7+**	**5.7+**	6.7+	6.8+
Number of Children under Age 13													
One Child	8.5+	8.1+	10.0	8.4	**11.3**	8.4+	8.1	8.0+	9.2	10.0	8.0	8.4	**7.2+**
Two or More Children	9.7+	10.4+	11.3	9.4	9.4	11.6+	8.9	10.3+	9.0	**12.8**	8.9	8.8	9.7+
Age of Youngest Child													
Under 5	10.3+	10.6+	11.1	11.4+	11.4+	10.9	9.8+	9.8	**9.7**	**12.9**	8.7	10.6+	10.0+
5–12	7.5+	7.5+	**10.3**	**5.9+**	8.5+	8.9	6.5+	7.8	8.2	8.9	8.1	**6.1+**	6.7+
Current Monthly Earnings (relative to family size)													
Low Earnings	15.9+	17.1+	18.0+	16.2+	**19.9+**	**19.6+**	15.7+	**13.3+**	18.1+	**19.8+**	14.4+	19.0+	16.3+
Higher Earnings	6.3+	**5.5+**	7.2+	**5.5+**	**7.4+**	6.3+	6.6+	**5.6+**	6.8+	7.0+	**5.6+**	6.6+	6.4+
MKA Education													
High School or Less	10.4+	11.0+	12.5	10.7+	12.1	11.6	11.6+	11.5+	10.2	14.0	10.1	10.0	9.5
Some College or More	8.5+	8.8+	9.9	8.0+	9.6	9.3	7.6+	**7.4+**	**8.7**	10.3	7.7	8.1	8.3
Average Monthly Earnings, Families Paying for Child Care ($)	4,433	3,813	4,545	4,135	5,212	4,168	4,862	3,141	5,481	4,338	4,571	4,957	4,146

Source: Urban Institute calculations from the 1997 National Survey of America's Families.

+ Estimate is significantly different from paired subgroup within the state.

Notes:

Bold type indicates estimate is significantly different from the national average.

MKA = Most knowledgeable adult.

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About the Authors

Linda Giannarelli is a senior research associate in the Urban Institute's Income and Benefits Policy Center. Her research focuses on government programs for low-income families. She directs the Urban Institute's Welfare Rules Database project and is the principal investigator for the development and maintenance of the TRIM3 microsimulation model. She recently led the effort to add a child care component to TRIM3, which was used to estimate the number of children and families eligible for federally funded child care subsidies.

James Barsimantov was a research assistant in the Urban Institute's Population Studies Center at the time of this study. In addition to working with child data in the NSAF survey, he was a member of the team that conducted case studies of child care issues in the 13 ANF states. He is currently serving in the Peace Corps in Panama.

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